

ABSTRACT

INFLUENCE OF GOOD CORPORATE GOVERNANCE AGAINST TO EARNINGS OF MANAGEMENT

(Empirical Studies on Banking Company on the Stock Exchange Year 2007 to 2010)

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Good Corporate Governance is a conception that is used to improve the financial performance of companies or institutions, through monitoring management performance, in order to reach the management company that transparency and accountable, for all users of financial statements for the main stakeholders.

This study aimed to test whether there is influence of Good Corporate Governance (Board of Commissioners, Managerial Ownership and Institutional Ownership) of the earnings Management in banking companies listed on the Stock Exchange in 2007 through 2010. In this study using the method of Jones Model approach, by performing multiple regression analysis testing.

The results of this study is that there is a significant negative effect of the implementation of good corporate governance mechanisms of the Board of Commissioners, on Earnings Management using the method was measured by Jones. Meanwhile, Managerial Ownership and Tenure Institutional no effect on earnings management.

Keywords: earnings management and good corporate governance (monitoring)